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(U.S. Officials only)CENTRAL INTELLIGENCE GROUP
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1. During a recent conference at Karlshorst on the future economic policy of the SMA it was decided that outwardly moderate methods were to be used in order to win over the working classes and intelligentsia, particularly in the Western Zones; the SED was thereby to win increased popularity.
2. Now that the dismantling program had been virtually completed, the main target was to concern ideology. When velvet-glove methods coupled with propaganda had had their effect, there would be a call for new elections with, it was hoped, more favorable results.
3. Reparations would be largely waived; the U.S.S.R. would buy what it needed on the open market for German Reichmarks, which the Russians printed anyway ad lib., so that the U.S.S.R. would not be losing financially, and would even gain ideologically.
4. Actually, the reparations program for 1947 is even wider than that of 1946.
5. Raw materials from the Western Zones will be given only to firms employed on Russian reparations deliveries.
6. Die Technische Kommission für den Transportmaschinenbau has received instructions from the SMA for the further dismantling of machinery to a value of 650,000 Reichmarks.

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